

KANSAS DEPARTMENT OF CREDIT UNIONS

400 KANSAS AVENUE SUITE B

TOPEKA, KANSAS 66603

PHONE (785) 296 3021

FAX (785) 296 6830

<http://www.ink.org/public/kdcu>

E-mail: kdcu1@mindspring.com

Administrator's Bulletin

Volume Seven Number Two

September 2001

Credit Union Council News

The next council meeting is scheduled for September 20, 2001, in the Kansas Department of Credit Unions conference room, 400 Kansas Ave., Suite B, Topeka, Kansas 66603. The meeting is scheduled to start at 10:00 A.M.

All council meetings are subject to the open meeting regulations. We encourage credit union officials and staff to attend.

For those wishing to place an item on the agenda or speak to the Credit Union Council, please contact Mr. Jerel Wright, Administrator at 785-296-3021.

Department News

Valorie White, KDCU, Financial Examiner II and Dick Yadon, KDCU, Financial Examiner III, have completed all five levels of NCUA training, held in Alexandria, Virginia.

This completes a major part of their formal required training under KDCU policy. Many of you know Valorie and Dick as they are already examining in Kansas state-chartered credit unions.

Congratulations to both Valorie and Dick for a job well done.

Financial Examiner Reclassification

The Department of Administration, Division of Personnel Service has recently notified the KDCU that they have completed a study of all six financial examiner class series. The class series will be compressed from 6 financial examiner classes to 4 financial examiner classes. The changes include adjustments to the minimum qualifications,

duties and responsibilities for each class, and become effective September 30, 2001.

Here are the four new financial examiner classes, along with the existing financial examiners within each class:

Financial Examiner Administrator

Gail Kasson

Financial Examiner Principal

Steve Borchers

Jim Burgess

Jack Hohman

Manny Lopez

Warren Meyer

Financial Examiner Senior

Dick Yadon

Jim Klausen

Valorie White

Financial Examiner

(To be hired)

The Department restructured and redesigned the examination program to consider enhanced supervisory duties for all of the Financial Examiner Principal positions. The Department has two teams lead by Financial Examiner Principals, which schedule and examine credit unions located within a specific geographic region.

The new department structure recognizes the Financial Examiner Principal / Corporate CU Examiners and the Financial Examiner Principal / Review Examiner as subject matter experts for their respective positions.

These changes increase the responsibility levels of several of our Financial Examiners. If you have questions concerning our changes, please call me in Topeka.

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Department Incentive Pay

The KDCU staff recently received incentive bonus pay funded primarily from savings created by finishing under budget for fiscal year 2001.

This is the second year the department has been able to provide staff with a bonus.

Regulations

Each year the Department is required to review existing regulations by an order signed by Governor Graves.

In keeping with compliance of this order, the Department is seeking individuals within the credit union industry to serve on a regulation team.

The Reg Team shall consist of a member of the Kansas Credit Union Association, an individual from the Corporate Credit Union system, two persons from the Natural Person Credit Unions and two representatives from the Department.

Contact Jerel Wright or Gail Kasson at 785-296-3021, if you wish to serve on the KDCU Regulation Team or attend the meetings.

Review of existing regulations will begin within 45 days. Consideration of the need for new regulations will be upon the completion of existing regulations.

NCUA News

Recent NCUA Board action indicates the Board's intent to "**Sharply Strengthen Federal Charters**" by approving 12 new areas of powers it deems to be "incidental" to the operation of a federally chartered credit union. The powers include many

already allowed by some state agencies including the Kansas Department of Credit Unions. Kansas credit unions hold the authority to exercise incidental powers under K.S.A. 17-2204(l)

The twelve new FCU powers include:

- Notary services and electronic signature authentication;
- Services provided by an FCU to another credit union;
- Electronic financial services;
- Leasing excess space, sharing employees, and providing data processing;
- Financial counseling services;
- Finder activities--introducing outside vendors to members and providing information to members about the products of third parties;
- Loan related products;
- Marketing activities and marketing services in any legally permissible manner;
- Monetary instruments services;
- Operational programs;
- Stored value products;
- Trustee or custodial services.



Jerel Wright, Administrator